Homeownership Education Updates

Fannie Mae believes homeownership education helps borrowers gain essential knowledge to prepare for sustainable homeownership. With it, borrowers are better informed and have a clearer understanding of the intricate process, benefiting both the homebuyer and the lender. With that in mind, three changes to homebuyer education are being implemented.

- Homeownership education Framework $75 course fee waived late October, reducing the cost burden for borrowers.
- Policy changes for homeownership education requirements for purchase loans greater than 95% LTV targeted for December, helping to ensure that new homebuyers are well prepared for sustainable homeownership.

I. Starting October 23rd, Fannie Mae is waiving the Framework homeownership $75 course fee.

- Now through October 22nd
  - Applications for loans requiring homeownership education will continue to be responsible for the $75 Framework course fee.
  - Any outstanding pre-purchased Framework coupons should be used by October 22nd; unused coupons will not be reimbursed.
  - Lenders should update any marketing collateral that references the $75 fee.

- Starting October 23rd, there is limited operational impact on lenders.
  - The payment fields will be removed from the online HomeReady Framework course registration page directly (https://homeready.frameworkhomeownership.org/).
  - Lenders should continue to direct borrowers to register for the course through the existing HomeReady Framework URL (https://homeready.frameworkhomeownership.org/).

II. Policy changes for homeownership education requirements are targeted to take effect in December.

- Non-HomeReady Purchase loans with LTV, CLTV, or HCLTV > 95%:
  - Today: Homeownership education is not required.
  - Homeownership education policy changes: New loans submitted to DU will require that at least one borrower on a mortgage loan with an LTV/CLTV/HCLTV > 95% completes homeownership education, regardless of the mortgage product chosen. This applies to loans where ALL occupying borrowers are first-time homebuyers.

- HomeReady Purchase loans:
  - Today: Homeownership education is required, even if borrowers are not first-time homebuyers.
  - Homeownership education policy changes: Homeownership education will be required for at least one borrower only if ALL occupying borrowers are first-time homebuyers, regardless of LTV.

- No Credit Score borrowers:
  - No policy change – homeownership education will be required for all loans.

III. In 2020, launching a new mobile- and web-based application by Framework designed to provide an improved borrower and lender experience including:

- Simplified registration process
- More customized and personalized content relevant to homebuyers
- Automated certification delivery